

CENTRAL INTELLIGENCE AGENCY

631347

INFORMATION REPORT

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COUNTRY	Hungary, [redacted] Yugoslavia	REPORT	[redacted]	25X1
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THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
THE APPRAISAL OF CONTENT IS TENTATIVE.
(FOR KEY SEE REVERSE)

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1. Shortage of Raw Materials.

- The shortage of raw materials is becoming more and more acute, particularly in heavy industry, although it is now spreading to all sections of industry.
- Rubber shortage is acute, and supplies to transport undertakings, including the railroads have ceased. Trucks have to continue using their existing tires as long as possible.
- Diesel oil is being drawn from reserve stocks, as no current production is available.
- On account of shortages in building materials (cement and iron particularly), construction work has been reduced considerably. No building work is being undertaken either in industry or air-raid shelters, and only dwellings continue at a very slow rate. Some building trusts (e.g. No. 46) have been done away with, or amalgamated with others.

2. Supplies of Material from Abroad.

- Iron ore: Sztalinvaros has again received full trainloads of iron ore from Prijedor in Yugoslavia. The ore is of good quality, and requires about 20 percent less coke than previous supplies from this source.
- Coke: Both Ózd and Sztalinvaros were using supplies of Ruhr coke by the third week in March 1954.
- Railroad material: The Hungarian railroads have recently received the following

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- (1) [redacted] about 240 tons of an order for 400 tons of 3-6 mm.

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25 YEAR RE-REVIEW

STATE	X	ARMY	X	NAVY	X	AIR	X	FBI		AEC		[redacted]		
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(Note: Washington Distribution Indicated By "X"; Field Distribution By "#".)

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metal sheets; also a quantity (not specified) of boiler tubes; a good many of these were cracked at the end and had to be rejected.

Boiler tubes (quantity not specified).

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3. Production Failures:

- a. The Ganz Railroad Works completed only 83 percent, and Mavag only 13 percent of their January plans. Only one O50 locomotive was delivered to the USSR instead of 20.
- b. The failure in supply at the Budapest Gasworks at the beginning of February 1954 was due to the breakdown of some of the motors in the "blowing-in equipment" (Einblasevorrichtungen), causing explosions in the generators involved.
- c. This breakdown was alleged to be due to electricity failure, caused by shortage of coal, at the Körter Power Station.

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